

Exhibit 7 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary Injunction
(PX01349)

Specification 21

- a) **a timetable for the proposed acquisition, a description of all actions that must be taken prior to consummation of the proposed acquisition, and any harm that will result if the acquisition is not consummated.**

Whole Foods Market, Inc. (“Whole Foods Market”) and Wild Oats Markets, Inc. (“Wild Oats”), collectively “The Parties,” entered into a definitive merger agreement on February 21, 2007. The Parties made appropriate filings with the Securities and Exchange Commission on February 27, 2007 and submitted pre-notification filings with the Department of Justice and Federal Trade Commission pursuant to the Hart-Scott-Rodino Antitrust Improvements Act on February 29, 2007. Whole Foods Market anticipates completing in a timely manner the remaining actions required for consummation of the proposed acquisition, including completion of the tender offer, contract reviews, and other customary closing actions.

Failure to consummate the transaction in a timely manner will impose significant economic harm on Whole Foods Market and Wild Oats, their shareholders and employees, and ultimately consumers as they are denied the benefits of the efficiencies stemming from the transaction, as set forth below. Delays in consummation also will lead to attrition of senior management and store personnel, postponement of strategic decisions relating to new product development and marketing, uncertainty for suppliers and distributors to both Parties, and other related costs.

- b) **detailed description of (including the rationale for, and identification of all documents directly or indirectly used to prepare the Company's response to this subpart) all plans for changes in Whole Foods Market's and Wild Oats' operations (including any store closing plans), structure, policies, strategies, corporate goals, financing, business, officers, employees or any other area of corporate activity as a result of the proposed acquisition.**

Whole Foods Market will evaluate each banner as well as each store to see how it relates to the company's overall brand and real estate strategy. Before making any final decisions about operating plans, Whole Foods Market will review each store individually to see where it fits in the company's overall plan.

Whole Foods Market expects to make significant investments in remodeling stores before eventually re-branding them as Whole Foods Market stores. In some areas, remodeling and re-branding or relocating stores will happen quickly; in others, the change will happen over time. Whole Foods Market considers the integration of acquisitions to be a core competency and the company has found it generally takes up to two years to transition to its decentralized operations and implement its various incentive programs.

Wild Oats has been rationalizing its store base over the last several years to shed underperforming stores. Whole Foods Market anticipates the likelihood of some

additional closures and/or relocations to stores that Whole Foods Market currently has in development. The company anticipates that this rationalization will better position the merged entity to compete in the rapidly changing food retailing environment.

c) a description and quantification of the reasons for the proposed acquisition and the benefits, costs, and risks anticipated as a result of the proposed acquisition.

As consumers have increasingly realized the nutritional and health benefits associated with natural and organic foods, the growth opportunity in this category has led to increased competition from many players, most of which are not dedicated natural and organic foods supermarkets and most of which are considerably larger than Whole Foods Market. These competitors include “conventional” supermarkets (e.g., Meijer, HEB, Safeway, Albertson’s, Publix, Giant, Giant Eagle, Aldi, Raley’s, and many others), specialty food retailers (e.g., Trader Joe’s, Wegmans, and many others), club stores (Costco, Sam’s Club and BJ’s), mass merchant supercenters (Wal-Mart and Target), and food retailers operating with other formats. The company believes that bringing the Whole Foods Market and Wild Oats banners together will offer customers a stronger competitive alternative to the large, national retailers who are making increasing inroads in natural and organic foods.

Whole Foods Market has made 18 retail acquisitions in its history, many of which were platform acquisitions from which the company has been able to accelerate its growth geographically. Consistent with this history, the proposed acquisition of Wild Oats offers a synergistic geographical fit because Whole Foods Market will gain access to a significant number of new localities in three of the company’s smallest regions – Pacific Northwest, Rocky Mountains and Florida. This will give Whole Foods Market critical mass leading to reduced costs of acquisition and distribution, and better access by consumers in a variety of locations to Whole Foods Market’s lower prices and greater range of selection of both organic/natural and other grocery and non-grocery products than would be the case without the acquisition.

Whole Foods Market expects that the proposed acquisition will enable efficiencies similar to those achieved from its previous acquisitions, and that over time the company will recognize significant synergies through G&A cost reductions, greater purchasing power and increased utilization of support facilities.

The principal risk facing the merged entity is that competition from other food retailing formats – including “conventional” supermarkets, specialty food retailers, club stores and mass merchant supercenters – will further intensify as these competing retail formats continue to expand their presence and share in the natural and organic food segment. Whole Foods Market regards this as a significant risk factor, and continually assesses and updates its branding and operating strategies in light of this risk.

d) an enumeration and detailed description of all efficiencies that the Company claims will or may arise from the proposed acquisition, and for each efficiency claimed:

- i. **provide a complete description of the means by which the efficiency is to be accomplished, including a complete description of the steps to be taken, the investments to be made, and the timetable for achieving the efficiency.**
- ii. **state the method(s) by which the Company proposes the efficiency should be measured (e.g., cost savings, increase in output, increase in competition), state the amount by which the claimed efficiency will, e.g., reduce costs, and provide a detailed explanation of the Company's basis for claiming that amount.**
- iii. **identify all cost savings the Company claims are attributable to the efficiency, stating separately and describing each one-time fixed cost saving, recurring cost saving, and variable cost saving, all in dollars per unit.**

Among the efficiencies that Whole Foods Market expects to obtain from the proposed transaction are the following:

(i) *Whole Foods Market will expand its geographic service area.*

Following the acquisition, Whole Foods Market will be able to serve consumers in various geographic regions where currently it does not have store locations, or where it has relatively little current presence. There are between 10 and 15 metropolitan areas in which Wild Oats operates one or more locations but where Whole Foods Market does not currently have a store presence. Whole Foods Market expects to convert these locations into Whole Foods Market stores in order to bring consumers in those areas the benefits of its broader selection of conventional, natural and organic food and grocery products, more extensive service offerings, and overall lower prices.

In additional regions of the country – including particularly the Rocky Mountains, Florida, and the Pacific Northwest – the proposed acquisition of Wild Oats stores will significantly increase the number of locations at which Whole Foods Market potentially can serve consumers. As explained above, Whole Foods Market expects to convert the majority of these stores over to its own branding in due course.

(ii) *Whole Foods Market will improve operations at various Wild Oats stores through investment in people and capital.*

Whole Foods Market intends to introduce its unique Team Structure approach to store operations as quickly as possible within the newly acquired Wild Oats locations. Whole Foods Market's Team Structure, which has placed the company on Fortune Magazine's "100 Best Companies to Work For" list for eight years in a row, is founded upon self-managing work teams that devolve significant decision-making responsibility and authority to store managers and employees. Whole Foods Market believes that the Team Structure enables the company best to respond to the needs of consumers in the diverse communities where it operates, and to respond to the dynamic and broad-based competition that the company faces in each locality.

Whole Foods Market expects to make significant capital improvements at many Wild Oats locations immediately upon closing the transaction. These improvements will include remodeling and updating store exteriors; redesigning interior store layouts; and repairing, refurbishing or replacing certain store fixtures (e.g., shelving, cold cases, freezer cases, produce displays, registers, and other equipment).

(iii) *Whole Foods Market expects to expand the distribution of certain Wild Oats private label products.*

At this time, Whole Foods Market has not made a final determination as to the disposition of certain private label products on the shelves and in development by Wild Oats. However, the company expects to retain certain Wild Oats products under their label and may add the Wild Oats brand to Whole Foods Market in-house control label portfolio in light of the strong customer brand recognition demonstrated by certain Wild Oats products, such as breakfast cereals. By adding these products to Whole Foods Market's store shelves, the transaction will enable wider distribution of these popular private label products to consumers throughout the US. In addition, by combining Whole Foods Market's existing range of private label products—which have achieved a significant degree of consumer awareness and market penetration—with Wild Oats own private label products and pipeline products, Whole Foods Market will be able to provide consumers with a broader and more appealing line of natural and organic private label products that better competes with conventional store private label and low-priced branded products.

(iv) *Whole Foods Market will gain efficiencies from consolidating the two entities' networks of distribution centers.*

While Whole Foods Market has not made a final determination as to how best to consolidate distribution networks, the company anticipates being able to achieve significant cost savings from rationalizing product flow from the parties' respective distribution centers to the combined base of store locations. In addition, Whole Foods Market expects to achieve certain reductions in distribution costs beginning in 2008 resulting from the negotiation of a new contract with United Natural Foods Inc. (UNFI) made possible by the merged entity's larger combined purchase volume.

(v) *Whole Foods Market will achieve significant general and administrative cost savings.*

Whole Foods Market expects to achieve immediate G&A cost savings from elimination of certain Wild Oats' corporate and regional overhead. Whole Foods anticipates that there will likely be some number of redundancies at the corporate and regional levels, but these have yet to be determined as Whole Foods is continuing to evaluate its plans for integration.

- iv. state all reasons why the Company claims that the efficiency (a) is likely to be accomplished with the acquisition, and (b) is unlikely to be accomplished without the acquisition.**

- v. **identify all alternatives to the acquisition considered by the Company as a means to achieve the claimed efficiency, state the costs of achieving the efficiency through the alternative means identified, and state any reasons why the efficiency could not be achieved by alternative means.**

Wild Oats has experienced significant difficulty and uneven success in implementing efforts to reduce the cost of operating its store locations. In contrast, Whole Foods Market considers the integration of acquisitions to be a core competency, having successfully integrated store-level operations from 18 previous acquisitions. Whole Foods Market management has successfully increased sales on a store-level basis following each of the company's previous acquisitions. As a result, Whole Foods Market believes that it is well positioned significantly to improve the operations of Wild Oats locations resulting in higher sales on a per-store basis.

The proposed transaction provides Whole Foods Market with a substantial and immediate increase in number of locations – particularly in those regions of the country where the company either does not currently operate or has little presence. While Whole Foods Market has added store locations through organic growth – including the opening of 13 new stores in 2006 – the proposed acquisition would enable Whole Foods Market to achieve critical mass substantially faster than through a series of single store constructions.

- vi. **identify all costs of achieving the efficiency, stating separately and describing each one-time fixed cost, recurring fixed cost, and variable costs, all in dollars per unit.**

Whole Foods Market expects to incur certain one-time charges in connection with implementing the company's proposed operating plan following the acquisition of Wild Oats. These charges include the following:

- Capital expenditures associated with remodeling stores during the remainder of 2007, estimated to equal approximately \$55 million. These expenses will cover costs such as updating store exteriors; replacing store signage; redesigning interior store layouts; and repairing, refurbishing or replacing certain store fixtures (e.g., shelving, cold cases, freezer cases, produce displays, registers, and other equipment).
- Bonuses to retain certain key Wild Oats employees or store managers, estimated to equal approximately \$3 million.
- Severance costs associated with elimination of certain Wild Oats' executive and corporate personnel, estimated to equal approximately \$4.7 million.
- Whole Foods Market has not made a final determination as to whether or which Wild Oats locations it might decide lack sufficient competitive viability to operate on a going-forward basis post-transaction. Before making any decisions, Whole

Foods Market will review each store individually to see where it fits in the company's overall strategic plan. However, to the extent that the company ultimately does decide not to continue operating certain Wild Oats locations, the company anticipates that it would incur the following one-time costs:

- severance costs associated with certain store-level employees; and
 - lease breakage fees, which could be approximately \$2 million per store location.
- Transactional fees of approximately \$12.6 million.
- vii. **state whether the Company claims that achieving the efficiency will increase competition for the Relevant Product in any Relevant Area and, if the Company so claims, explain in detail the basis of the claim, identifying with particularity the Relevant Area in which the Company claims competition will increase.**
- viii. **if the Company claims that the efficiency will increase competition for products or services other than the Relevant Product, or for the Relevant Product in areas other than the Relevant Areas, so state, identifying the other products, services, or areas in which the Company claims competition will be enhanced and explaining in detail the basis of the claim.**

As explained above, the company anticipates that bringing the Whole Foods Market and Wild Oats banners together will offer customers a stronger competitive alternative to the large, national retailers who are making increasing inroads in natural and organic foods. The proposed transaction will enable Whole Foods Market to enhance its competitive appeal to consumers by remodeling and refurbishing numerous store locations now owned by Wild Oats; expanding the distribution of many of the Parties' respective private label products; refreshing and broadening the product and service offerings available at Wild Oats locations; and lowering overall prices as a result of achieving the efficiencies outlined above.

Whole Foods Market anticipates that competing food retailers will respond to these post-transaction initiatives by continuing to enhance their natural and organic product and service offerings, by expanding "store-within-a-store" concepts, and adding or converting locations to directly competitive formats such as SuperValu's Sunflower and Safeway's Lifestyle. Whole Foods Market likewise anticipates that numerous other food retailers – including "conventional" supermarket chains, club stores, specialty food retailers, and mass merchandiser superstores – will continue to expand their offerings of natural and organic foodstuffs in response to Whole Foods Market's expansion into those competitors' service areas.

- ix. identify all persons: (a) knowledgeable about the statements made in subparts (i) - (viii), or (b) employed or retained by the Company and having any responsibility for achieving, analyzing, quantifying, or implementing the claimed efficiency.**

Betsy Foster (Vice President of Growth and Business Development), Walter Robb (Co-president and COO) and Will Paradise (President, Rocky Mountain Region) possess the most in-depth knowledge with respect to areas identified in sub-part (ix).

- e) A detailed description of all statements or actions by any person (identifying the person by name, title, and business address) in support of, in opposition to, or otherwise expressing opinions about the proposed acquisition or its effects.**

Whole Foods Market does not track statements or actions by persons in support of, in opposition to, or otherwise expressing opinions about the proposed acquisition or its effects.